

STATE OF CONNECTICUT

**AUDITORS' REPORT
BOARD OF FIREARMS PERMIT EXAMINERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

AUDITORS OF PUBLIC ACCOUNTS
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July 9, 2001

**AUDITORS' REPORT
BOARD OF FIREARMS PERMIT EXAMINERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

We have examined the financial records of the Board of Firearms Permit Examiners for the fiscal year ended June 30, 2000. This report on that examination consists of the Comments, Recommendations and Certification which follow.

Financial statement auditing and presentation of the books and accounts of the State are being done on a Statewide Single Audit basis to include all State agencies. This audit examination has been limited to assessing the Board's compliance with certain provisions of financial related laws and regulations, and evaluating the Board's internal control structure policies and procedures established to ensure such compliance.

COMMENTS

FOREWORD:

The Board of Firearms Permit Examiners operates under Title 29, Chapter 529, Section 29-32b of the Connecticut General Statutes. The Board functions as an autonomous agency; however, Section 29-32b, subsection (a) of the General Statutes placed the Board under the Department of Public Safety for "administrative purposes only". The Department of Administrative Services, under a Memorandum of Understanding, provided human resource, payroll, fiscal and administrative support to the Board of Firearms Permit Examiners during the audited period.

The function of the Board is to hear appeals from persons aggrieved by the negative action of any authority with respect to permits to carry firearms. Such action, which may take the form of refusal to issue or renew a permit, limitation or revocation of an issued permit, or failure to supply upon request an application for the issuance of a permit, may be appealed to the Board. The Board is empowered to inquire into and determine the facts, and to either uphold the action or order the permit to be issued, renewed or restored, or the limitation removed or modified, as the case may be, should it find that relief should be granted to the appellant.

Members of the Board:

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Under the provisions of Section 29-32b, subsection (a) of the General Statutes, the Board is comprised of seven members appointed by the Governor to serve during his term, and until their successors are appointed and qualify. Members of the Board serve without compensation for their services but are reimbursed for reasonable expenses incurred in performing their duties. The Board on June 30, 2000, was comprised of one nominee from each of the following agencies or organizations:

- Ye Connecticut Gun Guild, Inc.
Peter Kuck
- The Connecticut State Rifle and Revolver Association
Arthur C. Carr
- Commissioner of Public Safety
William P. Longo, Board Secretary
- Connecticut State Association of Chiefs of Police
Chief John Karangekis
- Commissioner of Environmental Protection
Captain Eric C. Nelson

The Public members of the Board are:

George M. Carolan
Philip Dukes Esq., Board Chairman

RÉSUMÉ OF OPERATIONS:

General Fund expenditures totaled \$91,989 during the fiscal year ended June 30, 2000. A comparison of total expenditures is presented below:

	Fiscal Year <u>1999-2000</u>	Fiscal Year <u>1998-1999</u>
Personal services	\$49,718	\$67,674
Contractual services	12,636	8,449
Commodities and Other	<u>29,635</u>	<u>7,505</u>
Totals	<u>\$91,989</u>	<u>\$83,628</u>

A decrease in personal services costs during the 1999-2000 fiscal year was mostly due to the fact that in the prior year \$25,000 in administrative costs paid to the Department of Administrative

Services were coded to Salaries and Wages rather than Sundry Charges. In addition, a part-time clerk typist position was vacant for much of the 1999-2000 fiscal year. Contractual services expenditures increased during the audited period primarily due to the purchase of printed copies of the updated booklet, *Laws Pertaining to Firearms*.

During the 1999-2000 fiscal year 272 appeals were processed of which 163 appeals were scheduled for hearings. Of that number, 95 cases were heard by the Board and the remainder were either resolved or cancelled prior to the scheduled hearing date. The Board heard 86 cases during the 1998-1999 fiscal year.

CONDITION OF RECORDS

Our examination of the financial records of the Board of Firearms Permit Examiners revealed two areas requiring improvement.

Improvement of Equipment Inventory Records:

- Criteria:* Section 4-36 of the General Statutes provides that an inventory of property shall be kept in the form prescribed by the State Comptroller. Standards and procedures for recording and maintaining inventory records are set forth in the Property Control Manual, issued by the State Comptroller.
- Condition:* Our review of the annual CO-59 Fixed Assets/Property Inventory Report and a physical inspection of equipment revealed the following:
- One item identified by our prior audit as having been surplused was included in error on the annual report (\$1,271).
 - One item identified by our prior audit as having been surplused was included in error as controllable equipment (\$690).
 - Two items not found in the prior and current audit were still on the inventory listing (689.57).
 - Numerous controllable items were not inventoried or tagged (i.e. shredder, H/P Printer, cassette recorder, etc.).
 - One capital item that was listed as having been tagged on the inventory listing did not have a tag number attached.
- Effect:* The inventory has not been maintained on a current basis, in a manner consistent with the Property Control Manual. Equipment valuations were reported incorrectly to the State Comptroller.
- Cause:* The Board did not take the necessary steps to resolve the issues raised in the prior audit recommendation.
- Recommendation:* Appropriate steps should be taken to bring the equipment records up-to-date and to maintain them in an accurate manner. Equipment should be tagged immediately upon receipt. Disposal of assets should follow the guidelines set forth in the Property Control Manual. (See Recommendation 1.)
- Agency Response:* “The CO-59 Fixed Assets/Property Inventory Report has been reviewed and updated and all new equipment will be tagged immediately upon receipt.

The Board has a Memorandum of Understanding with the Department of Administrative Services, which includes inventory management and reporting. The, Supervisor of Property Management, for DAS, has assured us that the following items will be reported on form CO-853 as lost items:

- BOFPE0002 – Answering Machine
- BOFPE0003 – Tape Recorder
- BOFPE0012 – Digital Monitor
- BOFPE0013 – NEC CPU Powermate

As explanation, the items are believed to have been lost when the agency changed locations, and were mistakenly reported on last year's audit. In addition new controllable items have been tagged and listed on the inventory list.”

Board Member Hearing Attendance:

Criteria: Section 29-32b, subsection (a) established the seven member Board of Firearms Permit Examiners. The Board hears appeals from persons who have been denied a permit or had a permit limited or revoked. Decisions of the Board shall be by a majority vote of members attending.

Condition: For the period May 17, 2000 through March 8, 2001, it was found that:

- An average of two members were absent in the last 12 hearings.
- One member missed all but one of the meetings during that period.
- One meeting had four absent; three meetings had three absent.

Effect: Such absences may have an affect on the hearing process, itself, due to the loss of input by the absent Board members. Also, the decisions of the Board could be affected as the number of votes needed for a majority is reduced by Board absences (i.e. four votes for a majority with full attendance; three votes for a majority with two absences; two votes for a majority with four absences).

Cause: Most of the absences resulted from missed hearings by the designees of the Commissioner of Environmental Protection and the Commissioner of Public Safety.

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Recommendation: The Board should take steps to improve its members' attendance at hearings. (See Recommendation 2.)

Agency Response: "Board Members are notified of hearings by:

- An annual calendar of hearing dates and locations.
- A memo of hearing date and time is sent home, two weeks in advance of meeting.
- A follow up phone call is made at least two days in advance of meeting.

Board Members are unpaid volunteers appointed by the Governor's office. The Chairman of the Board and the Governor's office has been informed, that the designees of the Commissioner of Public Safety and the Commissioner of Environmental Protection, have been cited for missed meetings."

RECOMMENDATIONS

Status of Prior Audit Recommendations:

One recommendation was presented in our prior report. The following is a summary of the prior recommendation and the action taken by the Board.

- The Agency should take the appropriate steps to bring the equipment records up-to-date and maintain them in an accurate manner. Our current review found that the Board has not complied with the recommendation. This recommendation is being repeated. (See Recommendation 1.)

Current Audit Recommendations:

- 1. Appropriate steps should be taken to bring the equipment records up-to-date and maintain them in an accurate manner. Equipment should be tagged immediately upon receipt. Disposal of assets should follow the guidelines set forth in the Property Control Manual.**

Comment:

Our review of the annual CO-59 Fixed Assets/Property Inventory Report revealed that items that do not meet the criteria for capitalized assets were included in error on the report. A physical inspection of equipment revealed inventory listing inaccuracies.

- 2. The Board should take steps to improve its members' attendance at permit hearings.**

Comment:

Board attendance at hearings between May 17, 2000 and March 8, 2001, averaged two absences and ranged up to four absences. Absences by Board members effect the hearing process in two ways: the input of missing members is lost during the hearing; the number of votes constituting a majority is reduced for two or more absences.

INDEPENDENT AUDITORS' CERTIFICATION

As required by Section 2-90 of the General Statutes we have audited the books and accounts of the Board of Firearms Permit Examiners for the fiscal year ended June 30, 2000. This audit was primarily limited to performing tests of the Agency's compliance with certain provisions of laws, regulations and contracts, and to understanding and evaluating the effectiveness of the Agency's internal control policies and procedures for ensuring that (1) the provisions of certain laws, regulations and contracts applicable to the Agency are complied with, (2) the financial transactions of the Agency are properly recorded, processed, summarized and reported on consistent with management's authorization, and (3) the assets of the Agency are safeguarded against loss or unauthorized use. The financial statement audit of the Board of Firearms Permit Examiners for the fiscal year ended June 30, 2000, is included as a part of our Statewide Single Audit of the State of Connecticut for that fiscal year.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial-related audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Board of Firearms Permit Examiners complied in all material or significant respects with the provisions of certain laws, regulations and contracts and to obtain a sufficient understanding of the internal control to plan the audit and determine the nature, timing and extent of tests to be performed during the conduct of the audit.

Compliance:

Compliance with the requirements of laws, regulations and contracts applicable to the Board of Firearms Permit Examiners is the responsibility of the Board of Firearms Permit Examiners' management.

As part of obtaining reasonable assurance about whether the Agency complied with laws, regulations and contracts, noncompliance with which could result in significant unauthorized, illegal, irregular or unsafe transactions or could have a direct and material effect on the results of the Agency's financial operations for the fiscal year ended June 30, 2000, we performed tests of its compliance with certain provisions of laws, regulations and contracts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial or less than significant instances of noncompliance, which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

Internal Control over Financial Operations, Safeguarding of Assets and Compliance:

The management of the Board of Firearms Permit Examiners is responsible for establishing and maintaining effective internal control over its financial operations, safeguarding of assets, and compliance with the requirements of laws, regulations and contracts applicable to the Agency. In planning and performing our audit, we considered the Agency's internal control over its financial operations, safeguarding of assets, and compliance with requirements that could have a material or significant effect on the Agency's financial operations in order to determine our auditing procedures for the purpose of evaluating the Board of Firearms Permit Examiners financial operations, safeguarding of assets, and compliance with certain provisions of laws, regulations and contracts, and not to provide assurance on the internal control over those control objectives.

Our consideration of the internal control over the Agency's financial operations and over compliance would not necessarily disclose all matters in the internal control that might be material or significant weaknesses. A material or significant weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with certain provisions of laws, regulations and contracts or failure to safeguard assets that would be material in relation to the Agency's financial operations or noncompliance which could result in significant unauthorized, illegal, irregular or unsafe transactions to the Agency being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control that we consider to be material or significant weaknesses.

However, we noted certain matters involving the internal control over the Agency's financial operations, safeguarding of assets, and/or compliance, which are described in the accompanying "Condition of Records" and "Recommendations" sections of this report.

This report is intended for the information of the Governor, the State Comptroller, the Appropriations Committee of the General Assembly and the Legislative Committee on Program Review and Investigations. However, this report is a matter of public record and its distribution is not limited.

CONCLUSION

In conclusion, we wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Board of Firearms Permit Examiners during the course of our examination.

Michael R. Adelson
Associate Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts